

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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VERSTIGSTE GROSSE BLEICHEN SCH,	: 07 CV 11385 (BSJ)
	:
Plaintiff,	: ECF CASE
	:
- against -	:
	:
A.C. OERSSLEFF'S EFTF A/S,	:
	:
Defendant.	:
-----X	

**SPECIAL BOND AGREEMENT AS SUBSTITUTE SECURITY FOR
SUPP. RULE B MARITIME ATTACHMENT PURSUANT TO SUPP. RULE E(5)(a)**

WHEREAS, the Plaintiff, VERSTIGSTE GROSSE BLEICHEN SCH ("Plaintiff") has obtained an Amended Ex Parte Order dated February ____, 2008 authorizing issuance of Process of Maritime Attachment and Garnishment against the Defendant, A.C. OERSSLEFF'S EFTF A/S in the sum of One Million Six Hundred Fifty-One Nine Hundred Eighty-Eight and Fifteen Cents (U.S. \$1,651,988.15) as security for its claims as alleged in an Amended Verified Complaint dated February 12, 2008; and

WHEREAS the Defendant, A.C. OERSSLEFF'S EFTF A/S ("Defendant") seeks to provide substitute security in the form of a special bond for such alleged claims without waiver or prejudice of any of A.C. OERSSLEFF'S EFTF A/S' rights and that the provision of this special bond is understood to be entirely without prejudice to any and all other rights, claims, counter-claims and/or defenses whatsoever which are, or may be, available to A.C. OERSSLEFF'S EFTF A/S, and / or to any claim(s) which A.C. OERSSLEFF'S EFTF A/S may have in respect of the underlying arbitration proceedings in London, England;

NOW THEREFORE, International Fidelity Insurance Company. having an office and principal place of business at One Newark Center, Newark, NJ 07102, hereby agrees to be firmly

bound to Plaintiff in the sum of One Million Six Hundred Fifty-One Nine Hundred Eighty-Eight and Fifteen Cents (U.S. \$1,651,988.15) pending the outcome of arbitration at London, England, including any appeals therefrom, including to the English High Court, and also the outcome of any recognition and enforcement action in New York;

The condition of this obligation is that if Plaintiff shall obtain a final, enforceable and unappealable monetary Judgment, or Judgments, within any recognition and enforcement proceeding herein filed in the United States District Court for the Southern District of New York as set out in its Amended Verified Complaint filed herein, then the Surety shall satisfy such Judgment, or Judgments, after any and all appeals resulting therefrom have either been completed and/or the time for such appeal(s) has/have expired, up to and including the sum of One Million Six Hundred Fifty-One Nine Hundred Eighty-Eight and Fifteen Cents (U.S. \$1,651,988.15).

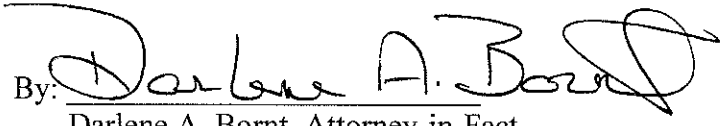
The further condition of this obligation is that if Plaintiff's claims are settled by compromise, and such settlement is confirmed in writing by A.C. OERSSLEFF'S EFTF A/S, or its attorneys or duly appointed agent, then the Surety agrees to pay the amount of the settlement so confirmed up to and including, but not to exceed, the sum of One Million Six Hundred Fifty-One Nine Hundred Eighty-Eight and Fifteen Cents (U.S. \$1,651,988.15).

PROVIDED, HOWEVER, that under no condition shall the liability hereunder exceed the sum of One Million Six Hundred Fifty-One Nine Hundred Eighty-Eight and Fifteen Cents (U.S. \$1,651,988.15).

This special bond is furnished entirely without prejudice to any rights or defenses which A.C. OERSSLEFF'S EFTF A/S may have, none of which may be deemed to have been waived by the provision of this special bond.

Dated: February ^{4th}14, 2008

INTERNATIONAL FIDELITY INSURANCE
COMPANY

By: 
Darlene A. Bornt, Attorney-in-Fact

POWER OF ATTORNEY INTERNATIONAL FIDELITY INSURANCE COMPANY

HOME OFFICE: ONE NEWARK CENTER, 20TH FLOOR
NEWARK, NEW JERSEY 07102-5207

KNOW ALL MEN BY THESE PRESENTS: That INTERNATIONAL FIDELITY INSURANCE COMPANY, a corporation organized and existing laws of the State of New Jersey, and having its principal office in the City of Newark, New Jersey, does hereby constitute and appoint

CLARK P. FITZ-HUGH, DARLENE A. BORNT, KATHERINE B. WERNER, CATHERINE C. KEHOE,
KRISTINE K. SELLERS, MARLEY M. MORRIS, ELIZABETH TREADWAY, CANDICE T. GROS,
R. TUCKER FITZ-HUGH, LINDA A. BOURGEOIS
New Orleans, LA.

its true and lawful attorney(s)-in-fact to execute, seal and deliver for and on its behalf as surety, any and all bonds and undertakings, contracts of indemnity and other writings obligatory in the nature thereof, which are or may be allowed, required or permitted by law, statute, rule, regulation, contract or otherwise, and the execution of such instrument(s) in pursuance of these presents, shall be as binding upon the said INTERNATIONAL FIDELITY INSURANCE COMPANY, as fully and amply, to all intents and purposes, as if the same had been duly executed and acknowledged by its regularly elected officers at its principal office.

This Power of Attorney is executed, and may be revoked, pursuant to and by authority of Article 3-Section 3, of the By-Laws adopted by the Board of Directors of INTERNATIONAL FIDELITY INSURANCE COMPANY at a meeting called and held on the 7th day of February, 1974.

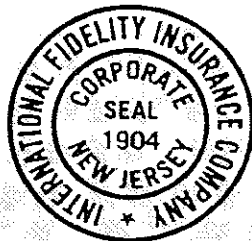
The President or any Vice President, Executive Vice President, Secretary or Assistant Secretary, shall have power and authority

(1) To appoint Attorneys-in-fact, and to authorize them to execute on behalf of the Company, and attach the Seal of the Company thereto, bonds and undertakings, contracts of indemnity and other writings obligatory in the nature thereof and,

(2) To remove, at any time, any such attorney-in-fact and revoke the authority given.

Further, this Power of Attorney is signed and sealed by facsimile pursuant to resolution of the Board of Directors of said Company adopted at a meeting duly called and held on the 29th day of April, 1982 of which the following is a true excerpt:

Now therefore the signatures of such officers and the seal of the Company may be affixed to any such power of attorney or any certificate relating thereto by facsimile, and any such power of attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by facsimile signatures and facsimile seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached.



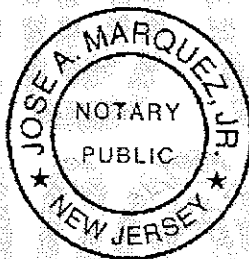
IN TESTIMONY WHEREOF, INTERNATIONAL FIDELITY INSURANCE COMPANY has caused this instrument to be signed and its corporate seal to be affixed by its authorized officer, this 29th day of August, A.D. 2003.

STATE OF NEW JERSEY
County of Essex

INTERNATIONAL FIDELITY INSURANCE COMPANY

[Signature]
Secretary

On this 29th day of August 2003, before me came the individual who executed the preceding instrument, to me personally known, and, being by me duly sworn, said the he is the therein described and authorized officer of the INTERNATIONAL FIDELITY INSURANCE COMPANY; that the seal affixed to said instrument is the Corporate Seal of said Company; that the said Corporate Seal and his signature were duly affixed by order of the Board of Directors of said Company.



IN TESTIMONY WHEREOF, I have hereunto set my hand affixed my Official Seal, at the City of Newark, New Jersey the day and year first above written.

[Signature]

A NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Nov. 21, 2010.

CERTIFICATION

I, the undersigned officer of INTERNATIONAL FIDELITY INSURANCE COMPANY do hereby certify that I have compared the foregoing copy of the Power of Attorney and affidavit, and the copy of the Section of the By-Laws of said Company as set forth in said Power of Attorney, with the ORIGINALS ON IN THE HOME OFFICE OF SAID COMPANY, and that the same are correct transcripts thereof, and of the whole of the said originals, and that the said Power of Attorney has not been revoked and is now in full force and effect.

IN TESTIMONY WHEREOF, I have hereunto set my hand this

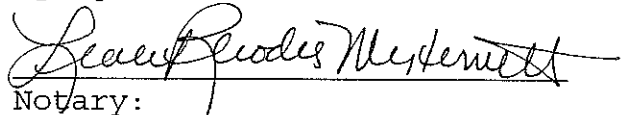
44th day of February, 2008

[Signature]
Assistant Secretary

ACKNOWLEDGEMENT:

State of Louisiana
Parish of Orleans

On this 14TH day of February in the year 2008, before me personally came DARLENE A. BORNT personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed the within instrument as attorney-in-fact of International Fidelity Insurance Company.


Notary:

My commission expires upon
death

INTERNATIONAL FIDELITY INSURANCE COMPANY
ONE NEWARK CENTER, 20TH FLOOR, NEWARK, NEW JERSEY 07102-5207

STATEMENT OF ASSETS, LIABILITIES, SURPLUS AND OTHER FUNDS

AT DECEMBER 31, 2006

ASSETS

Bonds (Amortized Value)	\$83,053,564
Common Stocks (Market Value)	7,928,132
Mortgage Loans on Real Estate	2,492,000
Cash & Bank Deposits	45,509,933
Short Term Investments	4,250
Unpaid Premiums & Assumed Balances	3,489,768
Reinsurance Recoverable from Reinsurers	824,538
Electronic Data Processing Equipment	121,690
Investment Income Due and Accrued	1,246,437
Net Deferred Tax Assets	2,500,000
Other Assets	2,395,495
TOTAL ASSETS	<u>\$149,565,807</u>

LIABILITIES, SURPLUS & OTHER FUNDS

Losses (Reported Losses Net as to Reinsurance Ceded and Incurred But Not Reported Losses)	\$18,889,291
Loss Adjustment Expenses	4,780,083
Contingent Commissions & Other Similar Charges	702,775
Other Expenses (Excluding Taxes, Licenses and Fees)	4,189,372
Taxes, Licenses & Fees (Excluding Federal Income Tax)	802,559
Current Federal & Foreign Income Taxes	310,119
Unearned Premiums	24,609,961
Ceded Reinsurance Premiums Payable	1,632,862
Funds Held by Company under Reinsurance Treaties	5,068
Amounts Withheld by Company for Account of Others	20,381,915
Provisions for Reinsurance	2,821
Other Liabilities	12,148
TOTAL LIABILITIES	<u>\$76,318,974</u>
 Common Capital Stock	 \$1,500,000
Gross Paid-in & Contributed Surplus	374,600
Surplus Note	16,000,000
Unassigned Funds (Surplus)	55,372,233
 Surplus as Regards Policyholders	 \$73,246,833
TOTAL LIABILITIES, SURPLUS & OTHER FUNDS ...	<u>\$149,565,807</u>

I, Francis L. Mitterhoff, President of INTERNATIONAL FIDELITY INSURANCE COMPANY, certify that the foregoing is a fair statement of Assets, Liabilities, Surplus and Other Funds of this Company, at the close of business, December 31, 2006, as reflected by its books and records and as reported in its statement on file with the Insurance Department of the State of New Jersey.



IN TESTIMONY WHEREOF, I have set my hand and affixed the seal of the Company, this 23rd day of February 2007.

INTERNATIONAL FIDELITY INSURANCE COMPANY